

REMARKS:

Claims 1-28 are currently pending in the application. Claims 1-9, 12, 14, 19, and 24 stand rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicant regards as the invention. Claims 1-3, 5-8, 10-12, 14-17, 20-22, and 24-27 stand rejected under 35 U.S.C. § 102(b) over U.S. Patent No. 5,873,069 to Reuhl et al. ("Reuhl"). Claims 4, 13, and 23 stand rejected under 35 U.S.C. § 103(a) over Reuhl in view of U.S. Patent No. 5,249,120 to Foley ("Foley"). Claims 9, 18, and 28 stand rejected under 35 U.S.C. § 103(a) over Reuhl in view of U.S. Patent No. 3,581,072 to Nymeyer ("Nymeyer").

REJECTION UNDER 35 U.S.C. § 112:

Claims 1-9, 12, 14, 19, and 24 stand rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicant regards as the invention.

Specifically, the Examiner states "as pointed out in the prima facie Office Action, the "system" claim comprises both elements of an apparatus and steps of a method." (25 March 2005 Office Action, Page 2). The Applicant does not understand what is meant by a prima facie Office Action and respectfully requests further explanation from the Examiner. However, assuming the Examiner is referring to the previous Office Action; in that Office Action the Examiner stated "claims 1-9 and 19 are indefinite because they are directed to a "system" however there is claim language in the body of the claims that is directed to both an apparatus and a method. Therefore it is unclear to the Examiner exactly what the Applicant is claiming, a method or an apparatus". (23 September 2004 Office Action, Page 2). The Applicant respectfully disagrees with this requirement and requests that the Examiner show why this change is necessary. Thus, the allegation in the present Office Action that claims 1-9 and 19 comprise both elements of an apparatus and steps of a method are indefinite, are respectfully traversed.

The Applicant has reviewed claims 1-9 and 19 in detail, particularly looking for language associated with a method claim as relied upon by the Examiner. The Applicants respectfully submit that the word "method" or the phrase "the steps of" is not disclosed, suggested, or even hinted at in claims 1-9 or 19. Furthermore, the Applicant previously submitted the following argument:

Claim 1 is directed to a system that comprises two elements. The first element recited is "one or more databases," the one or more databases being further described as containing certain identified information. The second element recited is "a pricing engine," the pricing engine further described as being operable to perform certain identified operations. The mere fact that a system element is recited as being able to perform certain operations does somehow not somehow transform the claim into one directed to a method. Claim 1 clearly satisfies the definiteness requirement under 35 U.S.C. § 112.

Similarly, Claim 19 is directed towards a system that comprises four elements. The first element recited is a "means for storing" certain identified information; the second element is a "means for determining a pricing differential;" the third element is a "means for accessing the market pricing information;" and the fourth element is a "means for applying the market pricing information." Claim 19 satisfies the requirements in 35 U.S.C. § 112, paragraph six, as a claim for a combination that expresses an element of the claim as a means for performing a specified function without reciting the structure in support thereof. Furthermore, the mere fact that a system element is recited as being able to perform certain operations does not somehow transform the claim into one directed to a method. Accordingly, Claim 19 clearly satisfies the definiteness requirement under 35 U.S.C. § 112. (22 December 2004 Office Action Response, Pages 10-11).

The Applicant respectfully submits that perhaps the source of confusion is associated with the phrase "operable to". The Applicant does not understand why the phrase "operable to" is thought to be limited to method claims only and respectfully requests further explanation from the Examiner. The Applicant conducted a search on the United States Patent and Trademark web site for patents in which the words "operable to" are used in claims. The search revealed that 135,102 patents have issued in the United States between 1976 and the present. The Applicant respectfully requests that the Examiner cite a specific rule in 37 C.F.R. or in the MPEP that restricts the use of the words "operable to" to method claims. The Examiner may call the undersigned at (817) 447-

9955 if the Examiner believes that it would be easier to discuss the source of confusion over the phone.

The Examiner further states "the rejection over substantially non-fungible is maintained." (25 March 2005 Office Action, Page 2). In the previous Office Action the Examiner stated "claims 3, 11, and 22 are indefinite because it is unclear exactly what 'a substantially fungible item' is." (23 September 2004 Office Action, Page 2). The Applicant has reviewed claims 3, 11, and 22 in detail; particularly looking for phrase relied upon by the Examiner. The Applicant respectfully submits that claim 11 does not contain the phrase "a substantially fungible item", however, the subject phrase is found in claim 12. Assuming the Examiner meant claim 12 and not claim 11, the Applicant respectfully re-submits the previously submitted argument direct to claims 3, 12, and 22:

The Examiner states that "it is unclear exactly what 'a substantially fungible' item is." Applicant respectfully disagrees. The term fungible is intended to be interpreted according to its ordinary meaning. That interpretation is consistent with a market in which participants will freely exchange one item for another because the differences between the items are immaterial. With regard to the term "substantially," the M.P.E.P. states that "breadth is not to be equated with indefiniteness." M.P.E.P. § 2173.04. The M.P.E.P. explains that the term "substantially" is a broad term that is "often used in conjunction with another term to describe a particular characteristic of the claimed invention." M.P.E.P. § 2173.05(b). Applying ordinary meaning to the terms "substantially" and "fungible," it is clear that a person of ordinary skill in the art would understand what is meant by: "wherein the reference item is a substantially fungible item that serves as a proxy for price elasticity in at least a portion of a market that includes the target and reference items." For at least these reasons, Applicant respectfully requests reconsideration and allowance of dependent Claims 3, 12, and 22. (22 December 2004 Office Action Response, Page 11).

The Applicant respectfully disagrees with the Examiner and does not understand why the phrase "substantially fungible" is thought to be confusing. Thus, the allegation in the present Office Action that the phrase "substantially fungible" is indefinite is respectfully traversed.

The Applicant directs the Examiners attention to the specification, which Applicant is its own lexicographer and define the phrase "substantially fungible". In view of the

specification at page 7 line 19 through page 8 line 31, the Applicant defines the phrase "substantially fungible" as having sufficient volume and liquidity, to serve as an indicator of price elasticity in the market. In essence, the phrase "substantially fungible" means that these items will generally not be treated identically in the marketplace. Where an explicit definition is provided by the Applicant for a term, that definition will control interpretation of the term as it is used in the claim. MPEP § 2111.02.

The Examiner further states that the claim 5 rejection is properly overcome. In the previous Office Action the Examiner stated "claims 5, 14, and 24 are indefinite because the phrase 'as a difference between historical prices of the target and reference items' is confusing." (23 September 2004 Office Action, Page 2). The Applicant thanks the Examiner for the removal of the 35 U.S.C. § 112 rejection of claims 5, 14, and 24. Thus, claims 5, 14, and 24 are considered to be in full compliance with the requirements of 35 U.S.C. § 112 and are considered to be in condition for allowance.

The Applicant submits that independent claims 1, 10 and 19 are also considered to be in full compliance with the requirements of 35 U.S.C. § 112. The Applicant further submits that independent claims 1, 10 and 19 are in condition for allowance.

With respect to dependent claims 2-9, and 12, claims 2-9 depend from independent claim 1 and claim 12 depends from independent claim 10. As mentioned above, each of independent claims 1, 10, and 19 are considered to be in full compliance with the requirements of 35 U.S.C. § 112. Thus, dependent claims 2-9 and 12 are considered to be in condition for allowance for at least the reason of depending from an allowable claim. Thus, the Applicant respectfully requests that the rejection of claims 1-9, 12, 14, 19, and 24 under 35 U.S.C. § 112 be reconsidered and that claims 1-9, 12, 14, 19, and 24 be allowed.

REJECTION UNDER 35 U.S.C. § 102(b):

Claims 1-3, 5-8, 10-12, 14-17, 20-22, and 24-27 stand rejected under 35 U.S.C. § 102(b) over Reuhl.

The Office Action alleges that Reuhl discloses a system and associated software, for generating market pricing information for a non-fungible item. The Applicant has reviewed Reuhl in detail, particularly looking for a system and associated software, for generating market pricing information for a non-fungible item, relied upon by the Examiner. However, Reuhl fails to disclose each and every limitation recited by claims 1-3, 5-8, 10-12, 14-17, 20-22, and 24-27. Thus, the Applicant respectfully submits that claims 1-3, 5-8, 10-12, 14-17, 20-22, and 24-27 patentably distinguish over Reuhl.

For example, with respect to independent claim 1, this claim recites:

A system for generating market pricing information for a non-fungible item, comprising:

one or more databases containing:

historical pricing information for at least one reference item;

historical pricing information for at least one non-fungible target item; and

market pricing information for at least the reference item;

and

a pricing engine operable to:

determine a pricing differential between the non-fungible target item and the reference item, the pricing differential reflecting the historical pricing information for the non-fungible target and reference items;

access the market pricing information for the reference item;

and

apply the pricing differential to the market pricing information for the reference item to generate market pricing information for the non-fungible target item. (Emphasis Added).

Independent claims 10 and 20 recite similar limitations. Reuhl fails to disclose each and every limitation of independent claims 1, 10, and 20.

For example, the Examiner asserted that Reuhl discloses a system and associated software, for generating market pricing information for a non-fungible item. The Applicant respectfully traverses the Examiners assertions regarding the subject matter disclosed in Reuhl.

The Applicant respectfully submits that Reuhl does not disclose a system and associated software, for generating market pricing information for a non-fungible item. Rather, Reuhl describes an automated pricing system that is responsive to changes in market prices. (Column 1, Lines 7-15). This pricing system merely makes pricing adjustments based on a comparison with information on updated competitor's prices, for the same or substantially similar products. (Column 3, Lines 19-28). In addition, it is clear that the pricing system disclosed in Reuhl is directed towards use for fungible goods, because the purpose of the system is to assist the system user in maintaining the lowest price in a particular market. (Column 3, Lines 49-54). Clearly, the goods contemplated in Reuhl are fungible goods that are sold as commodities with price being the primary or only distinguishing feature. Thus, Reuhl cannot provide one or more databases containing historical pricing information for at least one non-fungible target item, since the goods in Reuhl are fungible goods.

Thus, the allegation in the present Office Action that Reuhl discloses all of the claimed features is respectfully traversed. Further, it is noted that the Office Action provides no concise explanation as to how Reuhl is considered to anticipate all of the limitations in independent claim 1. A prior art reference anticipates the claimed invention under 35 U.S.C. § 102 only if each and every element of a claimed invention is identically shown in that single reference. MPEP § 2131. The Applicant respectfully points out that "it is incumbent upon the [E]xaminer to identify wherein each and every facet of the claimed invention is disclosed in the applied reference." *Ex parte Levy*, 17 U.S.P.Q.2d (BNA) 1461, 1462 (Pat. & Tm. Off. Bd. Pat. App. & Int. 1990). The Applicant respectfully submits that the Office Action has failed to establish a prima facie case of anticipation in independent claim 1 under 35 U.S.C. § 102 with respect to Reuhl because Reuhl fails to identically disclose every element of the Applicant's claimed invention, arranged as they are in Applicant's claim.

With respect to independent claims 10 and 20 each of these claims includes limitations similar to those discussed above in connection with independent claim 1. Thus, independent claims 10 and 20 are considered patentably distinguishable over Reuhl for at least the reasons discussed above in connection with independent claim 1. Furthermore, dependent claims 2-3 and 5-8 which depend from independent claim 1, dependent claims 11-12 and 14-17 which depend from independent claim 10 and dependent claims 21-22 and 24-27 which depend from independent claim 20 are also considered patentably distinguishable over Reuhl. Thus, dependent claims 2-3, 5-8, 11-12, 14-17, 21-22, and 24-27 are considered to be in condition for allowance for at least the reason of depending from an allowable claim.

Thus, for the reasons set forth herein, the Applicant submits that claims 1-3, 5-8, 10-12, 14-17, 20-22, and 24-27 are not anticipated by Reuhl. The Applicant further submits that claims 1-3, 5-8, 10-12, 14-17, 20-22, and 24-27 are in condition for allowance. Thus, the Applicant respectfully requests that the rejection of claims 1-3, 5-8, 10-12, 14-17, 20-22, and 24-27 under 35 U.S.C. § 102(b) be reconsidered and that claims 1-3, 5-8, 10-12, 14-17, 20-22, and 24-27 be allowed.

THE LEGAL STANDARD FOR ANTICIPATION REJECTIONS UNDER 35 U.S.C. § 102:

The following sets forth the legal standards for "anticipation."

The events that can lead to anticipation can be divided into the following seven categories, all defined by statute:

1. **Prior Knowledge**: The invention was publicly known in the United States before the patentee invented it.
2. **Prior Use**: The invention was publicly used in the United States either (i) before the patentee invented it; or (ii) more than one year before he filed his patent application.

3. Prior Publication: The invention was described in a printed publication anywhere in the world either (i) before the patentee invented it; or (ii) more than one year before he filed his patent application.

4. Prior Patent: The invention was patented in another patent anywhere in the world either (i) before the patentee invented it; or (ii) more than one year before he filed his application.

5. On Sale: The invention was on sale in the United States more than one year before the patentee filed his application.

6. Prior Invention: The invention was invented by another person in the United States before the patentee invented it, and that other person did not abandon, suppress or conceal the invention.

7. Prior U.S. Patent: The invention was described in a patent granted on a patent application filed in the United States before the patentee made the invention.

Each of those seven events has its own particular requirements, but they all have the following requirements in common:

1. Anticipation must be shown by clear and convincing evidence.
2. If one prior art reference completely embodies the same process or product as any claim, the product or process of that claim is anticipated by the prior art, and that claim is invalid. To decide whether anticipation exists, one must consider each of the elements recited in the claim and determine whether all of them are found in the particular item alleged to be anticipating prior art.
3. There is no anticipation unless every one of those elements is found in a *single* prior publication, prior public use, prior invention, prior patent, prior knowledge or prior sale. One may not combine two or more items of prior art to make out an anticipation. One should, however, take into consideration, not only what is expressly disclosed or embodied in the particular item of prior art, but also what inherently occurred in its practice.

4. There cannot be an accidental or unrecognized anticipation. A prior duplication of the claimed invention that was accidental, or unrecognized, unappreciated, and incidental to some other purpose is not an invalidating anticipation.

Those four requirements must be kept in mind and applied to each kind of anticipation in issue. The following additional requirements apply to some categories of anticipation.

1. Prior Knowledge: An invention is anticipated if it was known by others in the United States before it was invented by the patentee. "Known," in this context, means known to the public. Private knowledge, secret knowledge or knowledge confined to a small, limited group is not necessarily an invalidating anticipation. Things that were known to the public only outside the United States are not invalidating anticipation.

2. Prior Use: An invention is anticipated if it was used by others before it was invented by the patentee, or more than one year before the patentee filed his patent application. "Use," in this context, means a public use.

3. Prior Publication: A patent is invalid if the invention defined by the Claims was described in a printed publication before it was invented by the patentee or more than one year prior to the filing date of his application. For a publication to constitute an anticipation of an invention, it must be capable, when taken in conjunction with the knowledge of people of ordinary skill in the art, of placing the invention in the possession of the reader. The disclosure must be enabling and meaningful. In determining whether the disclosure is complete, enabling, and meaningful, one should take into account what would have been within the knowledge of a person of ordinary skill in the art at the time, and one may consider other publications that shed light on the knowledge such a person would have had.

4. Prior Patent: If the invention defined by the claims was patented in the United States or a foreign country, either before it was invented by the inventor or more than one year before the inventor filed his patent application, then the invention was anticipated. The effective date for this type of anticipation is the date on which two things

co-existed: (i) the owner of the referenced patent had the right to enforce that patent; and (ii) the reference patent was available to the public. What was "patented" in the reference patent is determined by what is defined by its claims, interpreted in the light of the general description.

5. On Sale: A patent is invalid if the invention claimed in it was on sale in the United States more than one year prior to the application filing date.

6. Prior Invention: If the invention defined by the claims was invented by another person, in the United States, before it was invented by the inventor, and that other person did not abandon, suppress, or conceal the invention, the invention lacks novelty. A prior invention, even if put in physical form and shown to produce the desired result, is not an invalidating anticipation unless some steps were taken to make it public. However, it is not necessary that the inventor had knowledge of that prior invention.

7. Prior U.S. Application: A patent is invalid for lack of novelty if the invention defined by the claims was described in a United States patent issued on a patent application filed by another person before the invention was made by the inventor. The effective date of a prior application for purposes of this issue is the date on which it was filed in the United States. Foreign-filed patent applications do not apply. If the issued United States patent claims the benefit of more than one United States application, its effective date as an anticipation is the filing date of the first United States application that discloses the invention claimed in that referenced patent.

Experimental Use Exception: The law recognizes that it is beneficial to permit the inventor the time and opportunity to develop his invention. As such there is an "experimental use" exception to the "public use" and "on sale" rules. Even though the invention was publicly used or on sale, more than one year prior to the application filing date, that does not invalidate the patent, provided the principal purpose was experimentation rather than commercial benefit. If the primary purpose was experimental, it does not matter that the public used the invention or that the inventor incidentally derived profit from it.

When a public use or sale is shown, the burden is on the inventor to come forward with evidence to support the experimental use exception. Only experimentation by or under the control of the inventor qualifies for this exception. Experimentation by a third party, for its own purposes, does not qualify for this exception. Once the invention leaves the inventor's control, its use is a public one, even if further experimentation takes place.

The experimentation must relate to the claimed features of the invention. And it must be for the purpose of technological improvement, not commercial exploitation. If any commercial exploitation does occur, it must be merely incidental to the primary purpose of experimentation. A test done primarily for marketing, and only incidentally for technological improvement, is a public use.

REJECTION UNDER 35 U.S.C. § 103(a):

Claims 4, 13, and 23 stand rejected under 35 U.S.C. § 103(a) over Reuhl in view of Foley. Claims 9, 18, and 28 stand rejected under 35 U.S.C. § 103(a) over Reuhl in view of Nymeyer.

The Applicant respectfully submits that Reuhl or Foley either individually or in combination, fail to disclose, teach, or suggest each and every element of claims 4, 13, and 23. The Applicant further submits that Reuhl or Nymeyer either individually or in combination, fail to disclose, teach, or suggest each and every element of claims 9, 18, and 28. Thus, the Applicant respectfully traverses the Examiners obvious rejection of claims 4, 9, 13, 18, 23 and 28 under 35 U.S.C. § 103(a) over the proposed combination of Reuhl, Foley, or Nymeyer either individually or in combination.

The Applicant further submits that the Office Action acknowledges that Reuhl fails to disclose the emphasized limitations of dependent claim 4, 13, or 23. Specifically, in the previous Office Action, the Examiner acknowledges that Reuhl fails to disclose that the reference item is a fungible item that serves as a proxy for at least one indicator of price for the target item, the indicator being selected from the group

consisting of cost per unit quantity of material used in creating the item, time or cost associated with one or more pieces of equipment used in creating the item, and time or cost associated with one or more persons involved in creating the item. (23 September 2004 Office Action, Page 6). However, the Examiner asserts that the cited portions of Foley disclose the acknowledged shortcomings in Reuhl. The Applicant respectfully traverses the Examiners assertions regarding the subject matter disclosed in Foley.

The Applicant respectfully submits that Reuhl has nothing to do with the claim 4, 13, or 23 limitations regarding a fungible item that serves as a proxy for at least one indicator of price for the target item. Rather Foley discloses a system with indirect cost allocation which identifies a material in an initial state for manufacturing a product. (abstract). Foley fails to disclose, teach, or suggest that the system that identifies material in an initial state for manufacturing a product is in anyway related to a fungible item that serves as a proxy for at least one indicator of price for the target item.

The Applicant further submits that the Office Action acknowledges that Reuhl fails to disclose the emphasized limitations of dependent claim 9, 18, or 28. Specifically, in the previous Office Action, the Examiner acknowledges that Reuhl fails to disclose an electronic marketplace that is associated with the pricing engine and provides a bid-ask exchange with respect to a market that includes the target and reference items. (23 September 2004 Office Action, Pages 6-7). However, the Examiner asserts that the cited portions of Nymeyer disclose the acknowledged shortcomings in Reuhl. The Applicant respectfully traverses the Examiners assertions regarding the subject matter disclosed in Nymeyer.

The Applicant respectfully submits that Nymeyer has nothing to do with the claim 9, 18, or 28 limitations regarding an electronic marketplace that is associated with the pricing engine and provides a bid-ask exchange with respect to a market that includes the target and reference items. Rather Nymeyer discloses a special purpose digital computer for arranging highest priced orders to buy and lowest priced orders to sell. (abstract). Nymeyer fails to disclose, teach, or suggest that the special purpose digital computer is associated with the pricing engine and provides a bid-ask exchange with respect to a market that includes the target and reference items.

The Applicant respectfully submits that the Office Action has failed to properly establish a *prima facie* case of obviousness based on the proposed combination of Reuhl, Foley, or Nymeyer, either individually or in combination. The Office Action has not shown the required teaching, suggestion, or motivation in these references or in knowledge generally available to those of ordinary skill in the art at the time of the invention to combine these references as proposed. The Office Action merely states that it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Reuhl to include Foley and Nymeyer for price accuracy, since price accuracy is a well known variable in the art of Reuhl.

The Applicant further submits that these purported advantages relied on by the Examiner of price accuracy and every method better price information are nowhere disclosed, taught, or suggested in Reuhl, Foley or Nymeyer either individually or in combination. The Applicant respectfully requests the examiner to point to the portions of Reuhl, Foley or Nymeyer which contain the teaching, suggestion, or motivation to combine these references for the purpose of price accuracy and every method better price information. A recent Federal Circuit case makes it crystal clear that, in an obviousness situation, the prior art must disclose each and every element of the claimed invention, and that any motivation to combine or modify the prior art must be based upon a suggestion in the prior art. In re Lee, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002). Conclusory statements regarding common knowledge and common sense are insufficient to support a finding of obviousness. Id. at 1434-35. Thus, the Office Action fails to provide proper motivation for combining the teachings of Reuhl, Foley, or Nymeyer either individually or in combination.

With respect to dependent claims 4, 9, 13, 18, 23 and 28, claims 4 and 9 depend from independent claim 1, claims 13 and 18 depend from independent claim 10, and claims 23 and 28 depend from independent claim 20. As mentioned above, each of independent claims 1, 10, and 20 are considered patentably distinguishable over the Reuhl. Thus, dependent claims 4, 9, 13, 18, 23 and 28 are considered to be in condition for allowance for at least the reason of depending from an allowable claim.

For the reasons set forth herein, the Applicant submits that claims 4, 9, 13, 18, 23 and 28 are not rendered obvious by the proposed combination of Reuhl, Foley, and Nymeyer. The Applicant further submits that claims 4, 9, 13, 18, 23 and 28 are in condition for allowance. Thus, the Applicant respectfully requests that the rejection of claims 4, 9, 13, 18, 23 and 28 under 35 U.S.C. § 103(a) be reconsidered and that claims 4, 9, 13, 18, 23 and 28 be allowed.

THE LEGAL STANDARD FOR OBVIOUSNESS REJECTIONS UNDER 35 U.S.C. § 103:

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991); M.P.E.P. § 2142. Moreover, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 U.S.P.Q. 580 (CCPA 1974). If an independent claim is nonobvious under 35 U.S.C. § 103, then any claim depending therefrom is nonobvious. *In re Fine*, 837 F.2d 1071, 5 U.S.P.Q.2d 1596 (Fed. Cir. 1988); M.P.E.P. § 2143.03.

With respect to alleged obviousness, there must be something in the prior art as a whole to suggest the desirability, and thus the obviousness, of making the combination. *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561 (Fed. Cir. 1986). In fact, the absence of a suggestion to combine is dispositive in an obviousness determination. *Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F.3d 1573 (Fed. Cir. 1997). The mere fact that the prior art can be combined or modified does not make the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 916 F.2d 680, 16 U.S.P.Q.2d 1430 (Fed. Cir. 1990); M.P.E.P. § 2143.01. The consistent

criterion for determining obviousness is whether the prior art would have suggested to one of ordinary skill in the art that the process should be carried out and would have a reasonable likelihood of success, viewed in the light of the prior art. Both the suggestion and the expectation of success must be founded in the prior art, not in the Applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991; *In re O'Farrell*, 853 F.2d 894 (Fed. Cir. 1988); M.P.E.P. § 2142.

A recent Federal Circuit case makes it clear that, in an obviousness situation, the prior art must disclose each and every element of the claimed invention, and that any motivation to combine or modify the prior art must be based upon a suggestion in the prior art. *In re Lee*, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002). Conclusory statements regarding common knowledge and common sense are insufficient to support a finding of obviousness. *Id.* at 1434-35.

CONCLUSION:

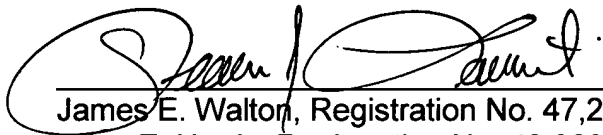
In view of the foregoing amendments and remarks, this application is considered to be in condition for allowance, and early reconsideration and a Notice of Allowance are earnestly solicited.

A Request for Continued Examination (RCE) is being filed in duplicate concurrently herewith to facilitate the processing of this deposit account authorization. **The Commissioner is hereby authorized to charge the RCE fee of \$790.00 to Deposit Account No. 500777.** The undersigned hereby authorizes the Commissioner to charge any additional fees that may be required, or credit any overpayments, to **Deposit Account No. 500777.**

Please link this application to Customer No. 53184 so that its status may be checked via the PAIR System.

Respectfully submitted,

6/17/05
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